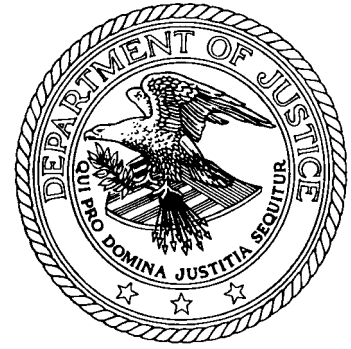


# ***NEWS RELEASE***

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## ***OFFICE OF THE UNITED STATES ATTORNEY SOUTHERN DISTRICT OF CALIFORNIA***

*San Diego, California*

*United States Attorney  
Carol C. Lam*

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***For Further Information, Contact: Assistant U.S. Attorney Melanie K. Pierson (619) 557-5685***

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***For Immediate Release***

### **NEWS RELEASE SUMMARY** - September 10, 2004

United States Attorney Carol C. Lam announced that a San Diego resident was sentenced in United States District Court to serve 18 months in custody today for her role in an internet pharmacy scheme. Odette Pidermann, one of the administrators of WorldExpressRx, was sentenced by the Honorable Jeffrey T. Miller, following her plea of guilty to conspiring to sell counterfeit pharmaceuticals, commit mail fraud and smuggle pharmaceuticals. Pidermann previously acknowledged that she assisted in the operation of the internet pharmacy, which was begun by co-conspirators in November 1999, as her full time employment from June 2002 until her arrest in March 2004.

World Express Rx had a website by which customers could order prescription drugs without having a prior prescription. The website directed the customer to fill out a health questionnaire, and pay a \$35 fee for a doctor's consultation. The website falsely represented that a doctor would review the questionnaire and issue a lawful prescription before the drugs were shipped to the customers. Pidermann knew that there was no doctor, employed or otherwise associated with World Express Rx, who reviewed the questionnaires, although one of her co-conspirators sometimes posed as a doctor.

The distributed pharmaceuticals included tablets and capsules containing the active ingredients for Viagra, Propecia, Celebrex and Xenical, which were marked by World Express Rx as “generic” versions of those drugs. The pharmaceuticals were smuggled across the border from Mexico by co-conspirators, and thereafter were packaged in small envelopes and sent to customers throughout the United States and the world.

Pidermann at times acted as the Customer Service Department, handling inquiries about problems with orders and shipping, as well as refunds and charge-backs, and assisted in the weekly reconciliation of accounts with the merchant bank that provided the payments from the customers who paid using credit cards.

Over the life of WorldExpressRx, the scheme grossed just under \$7 million. Pidermann did not take a regular salary from WorldExpressRx. Instead, funds were simply transferred to accounts as needed to support the lifestyle she enjoyed, including a rented penthouse (\$5500/month), leased vehicles (Porsche, Lexus, \$1500/month), extensive travel (flying first class and staying at five star hotels and resorts), and in 2003 alone, \$246,000 was paid for credit cards issued in the name of Pidermann.

In addition to the 18 months in custody, Judge Miller imposed a fine of \$4,000 and ordered the forfeiture of approximately \$55,000 in four bank accounts. Additionally, Pidermann was ordered to cooperate with the Internal Revenue Service and pay such back taxes as determined to be due and owing based on her failure to file income tax returns.

United States Attorney Lam stated, “This prosecution is an important response to the very real threat to public health and safety posed by those who traffic in counterfeit pharmaceutical products.”

**DEFENDANT**

Criminal Case No. 04-CR-1113-JM

Odette Pidermann

**SUMMARY OF CHARGES**

Conspiracy to Sell Counterfeit Pharmaceuticals, Smuggle Pharmaceuticals and Commit Mail Fraud, in violation of Title 18, United States Code, Section 371

Maximum Penalty: 5 years in custody and/or \$250,000 fine

**AGENCIES**

Federal Bureau of Investigation, Internal Revenue Service - Criminal Investigation Division

Immigration and Customs Enforcement - Criminal Investigations Division, Food and Drug Administration,  
Office of Criminal Investigations, U.S. Postal Inspection Service, Chula Vista Police Department